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TO RUEHC/SECSTATE WASHDC PRIORITY 2440
INFO RUCNCCAN/ALCAN COLLECTIVE
RUEHKO/AMEMBASSY TOKYO 0071
RUEAHLC/HOMELAND SECURITY CENTER WASHDC
RUCPDOC/USDOC WASHDC
RUEWMFB/SECDEF WASHINGTON DC
RUEPINS/HQ BICE INTEL WASHINGTON DC

UNCLAS SECTION 01 OF 03 TORONTO 000108

SIPDIS

STATE FOR PM/DTC - Blue Lantern Coordinator

SIPDIS
SENSITIVE

E.O. 12958: N/A

TAGS: [ETTC](#) [KOMC](#) [ETRD](#) [CA](#)

SUBJECT: Blue Lantern Level 3 Post-Shipment End-Use Check on Questar International

Ref: (A) State 20227 (notal) (B) 06 Ottawa 3660 (notal)

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Sensitive But Unclassified - Protect Accordingly.

¶1. (SBU) Summary: On April 2 ConOff and Pol/Econ Chief conducted a Blue Lantern end-use check at Questar International (CA)'s office in Barrie, Ontario. Questar maintains hand-written detailed end-use records for each imported weapon. The end-use details we obtained are being e-mailed to PM/DTC. The company appears to fill a Canadian market niche, custom-building guns for target shooters, collectors, and law enforcement officials across Canada. The Questar facility in Barrie is located in Mark Herzog's home, but appears to be extremely secure. Herzog has employed a former Barrie policeman and reportedly has a close working relationship with Canadian law enforcement officials. Questar expects to make some significant sales to Canadian security and law enforcement officials in the next year. We found no derogatory information on Herzog or Questar. End Summary.

End-Use Information

¶2. (SBU) Per ref (A), on April 2 ConOff and Pol/Econ Chief met with Mark Herzog for about three hours at the offices of Questar International (CA) located in Herzog's home in a residential suburb of Barrie, Ontario. Questar International (CA) does not currently have an electronic filing system to record purchases and sales. Herzog maintains records for the Ontario Chief Firearms Officer (CFO) by handwriting pertinent weapon and transfer information into books provided by the Canadian government. Herzog attempted to provide the specific information requested in ref (A) by researching the gun type in his CFO books. As we watched, he searched through all five books and provided us with gun type, date of import and sale, name of purchaser, province of purchaser, and transfer number for the entries that relate to the licenses in question. We are e-mailing this information directly to Kyle Ballard in an excel spreadsheet.

¶3. (SBU) Herzog said he keeps separate paper files for each of his clients, telling us he refuses to conduct business over the phone - requiring a formal paper request for each order or subsequent change order. He mentioned starting an Excel spreadsheet within the last few weeks to maintain an inventory of guns at his warehouse, but said he deletes the entries as soon as the weapons are transferred to their end-user.

¶4. (SBU) On April 2 Herzog was unable to provide to us information about the Rock River license. He told us he wanted to confer with Sean Orr to obtain an exact number of guns, the dates of import, and whether receivers, parts, or complete guns were imported before searching for the individual guns through the CFO book (Note: the book is organized by date of import. End Note). We received some additional information about the Rock River license from Mark Herzog on April 4. This e-mail is also being forwarded to Kyle Ballard.

¶5. (SBU) Herzog told us that he has imported many fewer weapons than the numbers contained on ref (A) licenses. He indicated that Sean Orr (his partner with Questar International USA) files for the licenses, and then completes the form at the expiration of the license to document how many were used and how many were unused. Herzog claims to not maintain records of the actual U.S. licenses at his Canadian location. In addition to the general licenses listed in ref (A), Herzog said he would have requested many single-use licenses for U.S.-export and sale to a specific Canadian client.

¶6. (SBU) Questar imports many receivers (rather than complete weapons), and then builds the gun to the custom specifications of his end-users, according to Herzog. He said he requires all purchasers to have a valid firearms license for any sale and accesses the Canadian system to search for the file by entering the license number and other personal information provided by the buyer. He told us he is well aware of U.S. munitions list requirements to not retransfer weapons and claims to have never sold guns to anyone outside of Canada. Herzog said he only once imported guns from a country other than the U.S. -- importing 6 or 7 custom master shop arms from Sigarms in Germany.

Site Security Information

¶7. (SBU) Herzog's home, which has no signage and looks like any of TORONTO 00000108 002 OF 003

the other homes on the block from the outside, has multiple alarm and security devices, as well as two German Shepherd dogs. The alarm system includes video surveillance with at least six cameras, key-panel codes for the exterior of the house, and a separate system for the basement "warehouse" of weapons and related parts. The weapons storage room is accessed via a door with a keypad lock. Gun parts and accessories are stored in the outer part of this area. An inner door to the "gun safe" room, where all of the assembled weapons are stored, has a fingerprint recognition security system. Herzog told us that all of the alarms are remotely monitored by Chubb Security Systems.

¶8. (SBU) The onsite inventory varies, but Herzog said up to 50 guns might be stored there at any given time. More than 20 Glocks in their plastic cases were stacked on shelves in his inner gun safe room; Herzog told us he had just been to Port Huron, Michigan to pick up this shipment and could not ship them to their end-users until he finished processing the sales with the Canadian Firearms Centre (CFC).

¶9. (SBU) Herzog's basement has a well-equipped gun-smithing workshop where he custom-builds the guns to client specifications. Herzog showed us some "adjustable stocks" for target shooting which he said he had obtained from Israel, but he said demand for these has been low. He indicated that some of his customers obtain and install their own stocks that are custom made to fit them. We saw no evidence of telescoping stocks or threaded barrels during our visit.

Links to Barrie Police

¶10. (SBU) Herzog claims to have a close working relationship with Barrie Police officials. He said he and his assistant (and former Barrie Police Officer) Alex Wersonig (both certified armorers) have upgraded the guns used by the Barrie Police Tactical Support Team and continue to fix the guns as required. Wersonig, who began

working with Herzog about a year ago, told us they reconditioned about 25 Bushmaster guns from December 2005 to January 2006. Herzog said he is trying to obtain permission to develop a Tactical Support Team training center in the Barrie area for Canadian law enforcement personnel. Although this remains in preliminary planning stages, he indicated that the proposal has been presented to Canadian government authorities.

Additional Background on Questar

¶11. (SBU) Herzog told us the company has been in operations for approximately two-and-a-half years. He said he started the company after he retired as a way to incorporate his target-shooting hobby into a business. Herzog displays his numerous Police Pistol Competition trophies and plaques in the weapons safe.

Originally, he said he partnered the business with the "Hawk Shop," a gun shop in Port Huron, Michigan. He created a business relationship with the owner's son, Sean Orr, who now runs Questar International USA. Every 3-4 weeks, Herzog and/or Wersonig drive to Port Huron to pick up the guns and transport them back to his office/home.

¶12. (SBU) Herzog mentioned to us in passing that he was cited for unsafe storage of firearms by Canadian law enforcement in 1989 but that he has been "pardoned" and the conviction expunged from his record in Canada. He indicated that U.S. CBP officers recently began sending him to secondary because of an exchange of criminal conviction information between the U.S. and Canada.

Future Sales to Canadian Law Enforcement

¶13. (SBU) Herzog indicated Questar will be selling about 60 Rock River guns to the guard force at the New Brunswick nuclear plant in the near future. He said he hopes to make some additional sales to Canadian police forces within the next year.

¶14. (SBU) Comment: During our three hour site visit, we saw no evidence of unauthorized items such as threaded barrels or folding stocks. Though Questar's record-keeping is not user-friendly, it appeared to us to be very complete and, to provide the level of detail that Canadian law enforcement officials would need to track

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down specific end-users of the imported weapons. Herzog was very open with us and very willing to provide additional information if requested. He indicated to us that his primary customers are target shooters, collectors, or law enforcement officials. He said he is serving a niche market by helping Canadian firearms collectors obtain U.S. export licenses and physically import weapons that they have identified for purchase into Canada. Though we can understand that this could unsettle some Canadians, we found no derogatory information on Herzog or Questar. End comment.

¶15. (U) Post requests PM/DTC include ConGen Toronto as an addressee for all Blue Lantern cables regarding companies based in Ontario.

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